

MEDFORD URBAN RENEWAL AGENCY STUDY SESSION MINUTES



MEDFORD
URBAN RENEWAL

February 25, 2021

Immediately Following MURA Board of Directors Meeting
Virtual Meeting

The Medford Urban Renewal Agency Study Session was called to order at 7:05p.m. virtually on the above date with the following members and staff present:

Board members Clay Bearnson, Tim D'Alessandro, Chad Miller, Alex Poythress, Sarah Spansail, Randy Sparacino, Eric Stark, Kevin Stine and Michael Zarosinski; Deputy City Manager Kelly Madding, City Attorney Rick Whitlock, Medford Urban Renewal Agency Executive Director Harry Weiss, Medford Urban Renewal Administrative Assistant Shannon Thorpe.

Guests Tom Fischer and Chad McComas from Rogue Retreat.

City Manager Brian Sjothun and City Chief Financial Officer Ryan Martin were absent.

MURA Participation in Rehabilitation Financing for Project Turnkey: Conversion of Redwood Inn to Transitional Housing

Mr. Weiss gave a presentation:

- Rogue Retreat has an application pending for Project Turnkey Funding to purchase a motel to convert to independent living units.
- Project Turnkey funds are primarily for property acquisition with some potential funding for renovation on a case by case basis. Rogue Retreat has requested an additional \$145,700 to purchase modular kitchens.
- The order of magnitude estimate of renovation cost is \$500,000 including the modular kitchens. More precise costing is under development.
- The project aligns with MURA's development objectives in the Liberty Park Neighborhood, and the goals for the liberty Park neighborhood Plan.
- Expansion of housing opportunities and infill development
- Redevelopment along the Riverside Avenue Corridor with new non-automobile oriented uses
- The project helps fill the critical shortage of transitional housing units in the community.

Mr. McComas with Rogue Retreat spoke about the timeline of the project. He stated everyone was excited about this new transitional housing. It will be used for the Alameda Fire victims first but will eventually move towards helping the regular population that needs help.

Mr. Fischer with Rogue Retreat discussed the community involvement, with physical labor and donations. A lot of what Rogue Retreat does is getting people connected to others that can help with transitional housing. One the Redwood Inn project, there are some local agencies already coming forward to offer sponsorships of the units.

Ms. Madding discussed the City's involvement and is a co-applicant with Rogue Retreat. Many City department heads have been involved in this project. In the future, the City might step back and have Rogue Retreat hire a project manager.

Board Member Bearnson thanked everyone for their help. Requested Tom Fischer to expand on the discussion of the First Presbyterian Church, and what they will do to help. Tom Fischer stated he was not sure exactly what the church will help with as it in the early stages.

Mr. Weiss stated that there needs to be a good calibration of money so not to overstate the number. A lot of electrical work will go in to add the kitchenette. This might be something to look at in case the number was not captured in the initial assessment.

Board Direction

- Does the Board support MURA's participation in financing renovation expenses of this project and direct staff to negotiate a formal agreement for Board action in a special meeting on March 11, 2021:
- For what amount? Not to exceed?
- Preferred funding mechanism – grant or loan?
- Additional terms and conditions?

There was discussion between board members and Mr. Weiss about the various costs of renovating the units at the Redwood Inn.

Discussion about the total dollar amount of this project between board members and staff. Mr. Weiss stated MURA's commitment gives enormous leverage to get additional money from the Oregon Community Foundation. Board members suggested dollar amounts set at a capped amount, in hopes Oregon Community Foundation will award the \$145,000 amount and other agencies will contribute as well.

Chair Stark stated he felt the entire board is in agreement to fund this project. A more formal determination will be after March 11, 2021 after the next City Council meeting.

Lithia-MURA Property Exchange
Parking Covenant and Incentive Grant for Future Deck

Mr. Weiss presented:

- Lithia Real Estate and MURA have entered into an agreement to exchange the city block owned Lithia, bounded by Apple and Bartlett, Third and Fourth Streets, for the N. Riverside parking lot (next door to the former Inn at the Commons) owned by MURA.
- This exchange allows Lithia to consolidate employee parking on the MURA lot, thereby freeing up spaces in the Middleford Deck and Grand lot.
- MURA achieves site control of the Lithia property for future redevelopment; MURA has entered into a First Right of Refusal with Western Hospitality, LLC, for the development of a hotel on the site.
- Each of the properties have a fair market appraised value of \$1.5 million. The exchange will be an outright swap of equivalent value without any additional compensation to either project.

Additional Conditions of the Exchange Agreement:

- Lithia will allow continued public access to parking on the MURA lot on evenings and weekends (deed restriction/covenant)
- MURA offer of an economic incentive for the construction of a future parking deck on the MURA lot (DDA)
- Termination of the existing Parking Agreement between the City of Medford, MURA, and DHD, LLC, and disclaimer of all parking interests of the successor to tInn at the commons.
- Termination of existing leases encumbering the Lithia property

Additional Terms sought:

- Leaseback of office space and surface parking on Lithia property pending redevelopment planning subject to a 6 month notice
- In the event MURA does not attract a developer for the site, Lithia would like the opportunity to repurchase the city block

Proposed Deed Restriction/Covenant:

- Lithia will make the Riverside lot available for the general public to park on evenings and weekends (which can be further defined by specified time frames)
- Lithia may charge for that parking at its sole discretion, at a rate not to exceed 200% of the City's hourly parking rate
- Lithia may also enter into shared parking agreements or leases serving other businesses or properties in the vicinity as an alternative to general public access
- The restriction will be for a duration of 20 years, but will terminate sooner in the event a parking deck is developed as provided in the incentive funding agreement with MURA

Ms. Madding asked Mr. Weiss about the sublease and if it was only allowed on the weekends or was it available during the day. Mr. Weiss responded that Lithia would control the spaces during the day but with an intent of having another business downtown and making parking available.

Deck Incentive

- MURA will contribute towards the construction expense of a parking deck that results in a net increase of a minimum of 100 parking spaces beyond the existing number of surface spaces (currently 168 spaces, so 268 minimum)
- MURA's maximum contribution will be \$749,900 (under the \$750,000 trip wire for Prevailing Wage)
- The funds will be released in the form of reimbursement of documented paid construction expenses.

Mr. Sparacino inquired about the Middleford lot, when Lithia moves their employee parking across the street, how many spaces will be gained in that garage. Mr. Weiss responded stating Lithia has somewhere around 65 parking spaces in the Middleford deck and possibly another 30 spaces in the Grand lot.

Further discussion between members and Mr. Weiss about the deck incentive and how it will benefit the city.

Mr. Sparacino stated it seems that this project must move forward as presented as there is an agreement with Lithia.

Mr. Weiss stated that the \$750,000 figure is a not to exceed figure, based on BOLI and prevailing wage. There is the ability to negotiate that number to something else, presumably for a lesser impact project. But the agreement they have with the exchange, is that the exchange is contingent on entering into a DDA with a deck and having MURA's participation. The specific number is subject to further negotiation and has to be a meaningful incentive.

Mr. Weiss discussed possible finances on future property sales that could augment resources.

Mr. Bearson stated he is in full support of moving forward with this project and remember the history of MURA and Liberty Park and to keep the monies where they were originally intended.

Mr. Sparacino was in agreement as well, in full support of this project.

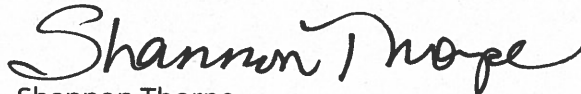
Mr. Zarosinski commented he was in agreement with the use of the \$750,000 and move forward as is.

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Mr. Stark stated this subject will be moving forward as presented to be voted on at the March 25, 2021 meeting.

Mr. Weiss stated that for the Redwood Inn funding, a meeting will need to be scheduled on March 11, 2021 to have clarity within the timeframe for the contract. It will be a single item agenda.

Adjourned at 9:05 pm

A handwritten signature in black ink that reads "Shannon Thorpe". The signature is written in a cursive, flowing style.

Shannon Thorpe

Medford Urban Renewal Agency Administrative Assistant